



GOVERNMENT OF PAKISTAN MINISTRY OF ENERGY POWER DIVISION,  
ISLAMABAD \*\*\*\*\*



No.3(3)/2021-POLICY

Islamabad, the 21<sup>st</sup> April, 2025

## **OFFICE MEMORANDUM**

**SUBJECT: CONSULTATION ON NATIONAL ELECTRICITY PLAN 2023-27 AMENDMENTS**

The undersigned is directed to refer to the subject noted above and in exercise of the power conferred by section 14A(4) of the regulation of Generation, Transmission and Distribution of Electric Power Act, 1997, the Ministry of Energy (Power Division) is pleased to share the proposed amendments in the Strategic Directive# 87 of National Electricity Plan 2023-27 ([Annexure-I](#)).

2. The proposed amendments in the Strategic Directive# 87 is in line with the mandate of Clause 5.5.2(g) of the National Electricity Policy, 2021, which requires the Government to "to take a decision on the recovery of costs that arise due to advent of the open access and market liberalization". Accordingly, the proposed amendments enable the Federal Government to lay down framework to deal with the recovery of costs that arise due to advent of the open access and market liberalization, namely the stranded cost.

3. It is requested to analyze the said amendments ([Annexure-II](#)) and share subsequent views and comments with this Division by 18<sup>th</sup> May, 2025 positively. The proposed amendments are being circulated for comments in light of sub-section **14A(4)** of NEPRA Act 1997, which is also being simultaneously published on the MoE (PD) website ([www.power.gov.pk](http://www.power.gov.pk)).

**Ruby Nawaz**  
**Section officer (Policy)**

Priority

## 15 Recovery of Open-Access Charge

Area

Liberalization of electricity markets and disruptive technological innovations pose significant challenge in recovering costs of existing generation assets. Devising appropriate mechanism based on the co-optimization of competing objectives of financial viability, affordability and competition is crucial for ensuring sustainable transition of the sector with the afore-mentioned interventions.

### Strategic Directives

87. Open access charge shall be recovered from all consumers, opting for open access, through competitive suppliers till the currency of this NE-Plan or as amended by the Government, as per the following mechanism:
- Grid charges, including use of transmission and distribution system charges, Market and system operator fee, cross subsidy charges, metering service charges etc., shall be applicable to all such consumers;
  - Cost arising on account of open access, comprising of capacity costs, shall be applicable to all such consumers.
- Provided further, in case the Government decides to reduce the open access charges or any of its components for the consumers opting for open access, it shall provide the funding to bridge the differential costs. While taking any such decision, the Ministry of Finance shall hire a third-party consultant to evaluate and verify the impact of such change on the national exchequer and consumers of suppliers of last resort. The reduction or removal of such charges shall only be approved where fiscal space is available in the budget to support such reduction and consumers of suppliers of last resort are not burdened with these charges.
88. Prior to the CMOD, the Regulator shall determine open access charges in accordance with the provisions of Strategic Directive 087. Such charges shall only be applicable for the consumers opting for open access through national grid. Accordingly, the Regulator shall devise a robust framework to settle the inter-DISCO differentials on account of uniform open-access charges till the time of applicability of uniform tariff.
89. Each Supplier of Last Resort shall file a petition to Regulator for determination of the open access charges, latest by-
90. Stranded costs, arising on account of distributed generation (including self-consumption & net metering) for consumers utilizing grid connection, shall be recovered pursuant to the mechanism provided in Strategic Directive 074. The same shall be provided for in the distributed generation and net metering regulations, to be amended pursuant to the Strategic Directive 014.

### Performance Indicators & Targets

Responsible Entities: DISCOs

Responsible Entities: Regulator

Supporting Entities: Market Operator

AF.ROA.008	Petition for determination of open access charges	AF.ROA.009	Determination of open access charge	Timeline
	Petition filed with the Regulator		Open access charge determined for each DISCO	Oct 31st, 2023

## National Electricity Plan - Proposed Amendments

#	Ref. Clause	NE Plan Provision
1	87	<p>Open access charge shall be recovered from all consumers, opting for open access, through competitive suppliers till the currency of this NE-Plan or as amended by the Government, as per the following mechanism:</p> <p>a) Grid charges, including use of transmission and distribution system charges, Market and system operator fee, cross subsidy charges, metering service charges etc., shall be applicable to all such consumers;</p> <p>b) Cost arising on account of open access, comprising of capacity costs, shall be applicable to all such consumers.</p> <p>Provided further, in case the Government decides to reduce the open access charges or any of its components for the consumers opting for open access, it shall provide the funding to bridge the differential costs. While taking any such decision, the Ministry of Finance shall hire a third-party consultant to evaluate and verify the impact of such change on the national exchequer and consumers of suppliers of last resort. The reduction or removal of such charges shall only be approved where fiscal space is available in the budget to support such reduction and consumers of suppliers of last resort are not burdened with these charges.</p>
		<b>Proposed Amendment</b>
		<p><i>Directive 87 shall be deleted and replaced with:</i></p> <p>Open access charge shall be recovered as per the following mechanism:</p>

		<p>a) Grid charges, including use of transmission and distribution system charges, Market and system operator fee, cross subsidy charges, metering service charges etc., shall be recovered from all consumers, opting for open access, till the currency of this NE-Plan or as amended by the Government;</p> <p>b) The Federal Government shall provide the frameworks or policy guidelines, from time to time, stipulating the mechanism for recovery of the stranded costs on account of market liberalization and open access. These frameworks/policy guidelines shall reflect market realities and include measures/incentives to facilitate open access / wheeling of allocated quantum of capacity for a given period, introduce competition and transparency in the market and such other matters as it deems necessary to safeguard consumer interests and advance the economic and social policy objectives of the Federal Government.</p> <p>Provided that the quantum of capacity for first five years after issuance of the first framework shall be 800 MW to be allocated in a competitive and transparent manner, which the Federal Government may revise keeping in view the market realities and need for further liberalization.</p> <p>Provided further that, where no such frameworks or policy guidelines is applicable, such stranded costs shall be paid by all bulk power consumers of a competitive supplier and the amount of such stranded costs shall be the same as the total generation capacity charges recovered from the equally placed bulk power consumers of the suppliers of last resort either in a volumetric form (kWh) or through fixed charges and such charges shall continue to be paid in the said manner till such time as may be reviewed by the Federal Government as per the procedure laid down in the applicable policy and regulatory framework.</p>
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